

FILED

SEP 15 2022

INDICTMENT

CASE NO

3:22 CR 547

Title 18, United States Code, Section 1028A; Title 18, United States Code, Section 1343; Title 18, United States Code, Section 641; Title 18, United States Code, Section 1957; Title 18, United States Code, Section 2.

JUDGE ZOUHARY

INTRODUCTION

1. From at least January 30, 2020, until the date of this indictment, TERESIA M. JONES, the Defendant, and others known and unknown, devised a scheme to defraud the Internal Revenue Service by submitting false and fraudulent tax filings using stolen identities and claiming millions of dollars in improper tax refunds. JONES subsequently used the stolen funds for profligate personal spending.

THE SCHEME TO DEFRAUD

2. The tax refund scheme generally worked as follows. TERESIA M. JONES obtained a wealth of stolen identity information for real individuals and businesses. Using various combinations of this stolen information, JONES filed fraudulent IRS Forms W-2, falsely claiming an identity theft victim had income tax withheld for wages paid by another identity theft victim. JONES would then electronically file a fraudulent IRS Form 1040 individual tax return on behalf of the identity theft victims, claiming a refund based on wages documented in the fraudulent Forms W-2. Consequently, the IRS had a Form W-2 indicating wages paid and taxes withheld for an individual along with a Form 1040 for that individual claiming a refund based on the Form W-2

wages and withholding. All of the documents, however, were false and fraudulent in that the individuals had not authorized the filings, did not earn or receive the reported wages, and had no tax withheld. JONES nonetheless succeeded in having the IRS pay millions in fraudulent refunds.

3. In one example, JONES obtained the stolen identifying information for Company 1, a real foster home caring for the elderly in southeast Michigan. On or about January 26, 2020, JONES filed a Form W-2 on behalf of Company 1, claiming that it paid \$56,799 in wages to Victim WS, a real individual whose identity had been stolen. JONES then filed a Form 1040 on behalf of Victim WS, claiming a tax refund of \$8,812. These filings were entirely false because Victim WS was never employed by Company 1.

4. The following year, on or about July 23, 2021, JONES again filed a false Form 1040 on behalf of Victim WS. The false Form 1040 reported false business income totaling \$4,044,196, and tax withheld from a false Form 1099 of \$3,571,166. The return ultimately claimed a refund of \$2,275,175. Although the filing was entirely false because Victim WS had not authorized the filing, did not own a business, and had no income tax withheld, the IRS paid the refund. JONES deposited the funds into a Wells Fargo account (Wells Fargo x3819), which she had opened in Victim WS's name shortly before filing the fraudulent IRS Form 1040. She quickly transferred \$2,200,000 into another account she owned at Huntington Bank (Huntington x6353) before eventually moving large sums to the Toledo Metro Federal Credit Union (TMFCU x6408) and Woodforest National Bank (Woodforest x1975). She also gave at least \$400,000 of the stolen funds to person known to the Grand Jury, who deposited it into accounts he controlled at JP Morgan Chase (JPMC x2183) and Key Bank (Key Bank x3547 and x0160).

Manner and Means

5. It was a part of the scheme that JONES used the following false and fraudulent

pretenses, representations, and promises:

a. *Unauthorized IRS Filings.* Using stolen identities, JONES would file various IRS forms for individuals and businesses whose identities had been stolen. Those identity theft victims were unaware of the filings and did not authorize them. JONES, however, filed the forms under the pretense that they were authorized.

b. *Fraudulent IRS Forms W-2.* JONES filed Forms W-2 in the names of businesses for which she obtained stolen identifying information. On occasion, JONES created fictitious businesses purportedly owned by an identity theft victim and filed Forms W-2 for the fictitious businesses. These Forms W-2 were false and fraudulent in that they falsely showed wages being paid and taxes withheld for an individual when in fact, no wages were paid and no tax was withheld.

c. *Fraudulent IRS Forms 1040.* JONES filed Forms 1040 on behalf of identity theft victims claiming refunds based on the wages and withholdings reflected in the false Forms W-2 she filed. Those Forms 1040 were false and fraudulent in that they claimed refunds for taxes that were never withheld from the identity theft victim.

6. It was further a part of the scheme that JONES caused the transmission of information and funds by wire between locations within the Northern District of Ohio, Western Division, and locations outside of the State of Ohio.

COUNT 1
(Wire Fraud, 18 U.S.C. § 1343)

The Grand Jury charges:

7. The factual allegations of paragraphs 1 through 6 of this indictment are

incorporated by reference herein.

8. From on or about January 30, 2020, through the date of this indictment, in the Northern District of Ohio, Western Division and elsewhere, Defendant TERESIA M. JONES knowingly devised and intended to devise a scheme and artifice to defraud and to obtain money and property from the Internal Revenue Service by means of false and fraudulent pretenses, representations, and promises.

9. For the purpose of executing and attempting to execute the scheme and artifice, Defendant TERESIA M. JONES, transmitted and caused to be transmitted by means of wire communication in interstate and foreign commerce, the following writings, signs, signals, and pictures, among others:

Approx. Date	Description of Wire Communication
January 30, 2020	Electronic filing of IRS Form 1040 in the name of Victim WS from the Northern District of Ohio to Missouri, indicating tax withheld by Company 1 as an employer and claiming a tax refund of \$8,812.
February 9, 2021	Electronic filing of IRS Form 1040 in the name of Victim EM from the Northern District of Ohio to Missouri, indicating tax withheld by Company 1 as an employer and claiming a tax refund of \$9,106.
February 11, 2021	Electronic filing of IRS Form 1040 in the name of Victim ST from the Northern District of Ohio to Missouri, indicating tax withheld by Victim WS as an employer, and claiming a tax refund of \$9,101.
February 13, 2021	Electronic filing of IRS Form 1040 in the name of Victim KS from the Northern District of Ohio to Missouri, indicating tax withheld by Victim WS as an employer and claiming a tax refund of \$9,879.
February 13, 2021	Electronic filing of IRS Form 1040 in the name of Victim TJ from the Northern District of Ohio to Missouri, indicating tax withheld by Victim WS as an employer and claiming a tax refund of \$9,110.
February 15, 2021	Electronic filing of IRS Form 1040 in the name of Victim JE from the Northern District of Ohio to Missouri, indicating tax withheld by Victim WS as an employer and claiming a tax refund of \$9,802.

February 19, 2021	Electronic filing of IRS Form 1040 in the name of Victim RB from the Northern District of Ohio to Missouri, indicating tax withheld by Victim WS as an employer and claiming a tax refund of \$9,802.
February 23, 2021	Electronic filing of IRS Form 1040 in the name of Victim MR from the Northern District of Ohio to Missouri, indicating tax withheld by Victim WS as an employer and claiming a tax refund of \$9,746.
March 10, 2021	Electronic filing of IRS Form 1040 in the name of Victim KJ from the Northern District of Ohio to Missouri, indicating tax withheld by Victim WS as an employer and claiming a tax refund of \$9,793.
January 19, 2022	Electronic filing of IRS Form 1040 in the name of Victim WS from the Northern District of Ohio to Missouri, indicating tax withheld by Victim TJ as an employer and claiming a tax refund of \$3,437,590.

All in violation of Title 18, United States Code, Sections 1343 and 2.

COUNT 2

(Theft of Government Funds, 18 U.S.C. § 641)

The Grand Jury further charges:

10. The factual allegations of paragraphs 1 through 6 of this indictment are incorporated by reference herein.

11. On or about November 19, 2021, in the Northern District of Ohio, Western, Division and elsewhere, Defendant TERESIA M. JONES, willfully and knowingly stole, purloined, and converted to her own use property of the United States exceeding \$1,000 in value, to wit, \$2,287,362.07 from United States Treasury Check Number x1017.

All in violation of Title 18, United States Code, Sections 641 and 2.

COUNT 3

(Aggravated Identity Theft, 18 U.S.C. § 1028A)

The Grand Jury further charges:

12. The factual allegations of paragraphs 1 through 6 of this indictment are incorporated by reference herein.

13. From on or about January 30, 2020 through on or about January 19, 2022, in the Northern District of Ohio, Western Division and elsewhere, Defendant TERESIA M. JONES, did knowingly use, without lawful authority, a means of identification of another real person, to wit, the name and Social Security Number of Victim WS, during and in relation to felony violations enumerated in Title 18, United States Code, Section 1028A(c), to wit, theft of government funds, in violation of Title 18, United States Code, Section 641, and wire fraud, in violation of Title 18, United States Code, Section 1343, knowing that the means of identification belonged to another real person.

All in violation of Title 18, United States Code, Sections 1028A(a)(1) and 2.

COUNT 4
(Aggravated Identity Theft, 18 U.S.C. § 1028A)

The Grand Jury further charges:

14. The factual allegations of paragraphs 1 through 6 of this indictment are incorporated by reference herein.

15. On or February 11, 2021, in the Northern District of Ohio, Western Division and elsewhere, Defendant TERESIA M. JONES did knowingly use, without lawful authority, a means of identification of another real person, to wit, the name and Social Security Number of Victim ST, during and in relation to felony violations enumerated in Title 18, United States Code, Section 1028A(c), to wit, wire fraud, in violation of Title 18, United States Code, Section 1343, knowing that the means of identification belonged to another real person.

All in violation of Title 18, United States Code, Sections 1028A(a)(1) and 2.

COUNT 5-17
(Money Laundering, 18 U.S.C. § 1957)

The Grand Jury further charges:

16. The factual allegations of paragraphs 1 through 6 of this indictment are incorporated by reference herein.

17. On or about the dates listed below, in the Northern District of Ohio, Western Division and elsewhere, Defendant TERESIA M. JONES knowingly engaged in and attempted to engage in monetary transactions by, through, and to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than \$10,000.00, that is, withdrawals, deposits, purchases, and wire transfers of funds, such property having been derived from specified unlawful activity, to wit, theft of government funds in violation of Title 18 United States Code, Section 641, and wire fraud in violation of Title 18, United States Code, Section 1343, as set forth in the following table:

Count	Approx. Date	Amount	Account	Transaction Description
5	November 30, 2021	\$1,700,000.00	Wells Fargo x3819	Check 254 deposited into Huntington x6353
6	November 30, 2021	\$500,000.00	Wells Fargo x3819	Check 266 deposited into Huntington x6353
7	December 7, 2021	\$1,517,958.77	Huntington x6353 X6353	Cashier's Check x8891 deposited into Huntington x3317
8	December 7, 2021	\$679,880.17	Huntington x6353	Cashier's Check x8892 to title company for purchase of Dorr St. property
9	December 13, 2021	\$100,000.00	Huntington x3317	Cashier's Check x1814 deposited into JPMC x2183
10	December 13, 2021	\$1,417,109.54	Huntington x3317	Cashier's Check x1815 for deposit into TMFCU x6408
11	January 5, 2022	\$250,000.00	TMFCU x6408	Wire transfer to Woodforest x1975

12	January 5, 2022	\$250,000.00	TMFCU x6408	Check 403668 deposited into Key Bank x3547
13	January 6, 2022	\$65,000.00	TMFCU x6408	Wire transfer to wedding planner
14	January 7, 2022	\$154,108.25	TMFCU x6408	Wire transfer to dealership for purchase of 2022 Cadillac Escalade SUV
15	January 8, 2022	\$55,203.25	TMFCU x6408	Check 2021 to dealership for purchase of 2022 Dodge Ram truck
16	February 10, 2022	\$170,953.11	TMFCU x6408	Wire transfer to title company for purchase of W. Sylvania Ave. property
17	March 15, 2022	\$11,542.50	TMFCU x6408	Check 2025 to physician for cosmetic surgery

All in violation of Title 18, United States Code, Section 1957.

FORFEITURE SPECIFICATION

The Grand Jury further charges:

18. For the purpose of alleging forfeiture pursuant to Title 18 United States Code, Section 981(a)(1)(C), Title 18 United States Code, Section 982(a)(1), and Title 28, United States Code, Section 2461(c), the allegations of Counts 1, 2, and 5 through 17, are incorporated herein by reference. As a result of the foregoing offenses, TERESIA M. JONES, shall forfeit to the United States any property, real or personal, which constitutes or is derived from the proceeds traceable to the violations charged in Counts 1 and 2; and any property, real or personal, involved in the violations charged in Counts 5–17, or any property traceable to such property; including, but not limited to, the following:

- a. 2022 Cadillac Escalade- VIN: 1GYS4GLK2NR130579;
- b. 2022 Dodge Ram TRX 4X4- VIN: 1C6SRFU95NN149239;

- c. \$152,867.44 seized from Woodforest National Bank account #XXXXXXX1975, in the name of, or controlled by, Tailored by Tmari LLC;
- d. \$30,831.61 seized from Toledo Metro Federal Credit Union account #X6408, in the name of, or controlled by, TERESIA JONES;
- e. \$356.42 seized from Chase Bank account #XXXXXX2183;
- f. \$94,330.20 seized from Key Bank account #XXXXXXXXXX3547;
- g. \$50,001.15 seized from Key Bank account #XXXXXXXXXX0160;
- h. Real Property located at 3131 West Sylvania Avenue, Toledo, Ohio 43613; Permanent Parcel Number 22-37761; and
- i. Real Property located at 5025 Dorr Street, Toledo, Ohio 43615; Permanent Parcel Number 20-52034.

A TRUE BILL.

Original document - Signatures on file with the Clerk of Courts, pursuant to the E-Government Act of 2002.